

FACILITIES CONTRACTS BRANCH

Facilities Contracts Branch Standard Operating Procedures

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| DATE: 11/29/2001 |
| SUBJECT: CLOSEOUT & ARCHIVING PROCEDURES |
| NUMBER: CSOP-02-003 |
| EFFECTIVE DATE: Immediately Until Replaced or Superseded |

1. Purpose

This document provides basic guidelines for final contract administration involving contract closeout and preparing files for shipment to the Federal Records Center (FRC).

2. References

ARS Policies and Procedures (P&P) No. 251.8M - Records Management, dated April 6, 1999
FAR 4.804 - Closeout of Contract Files
FAR 4.805 - Storage, Handling, and Disposal of Contract Files.
FAR 42.708 - Quick-Closeout Procedure (Indirect Cost Settlements Only)
National Archive Records Administration (NARA), General Records Schedule 3 - Procurement, Supply & Grant Records, dated December 1998
USDA Dept. Regulation No. 3080-001 - Records Disposition

3. Closeout Procedures

- a. A completed contract is one which is both physically and administratively complete. A contract is physically complete when all services called for under the contract have been rendered and all articles, material, reports, data, exhibits, etc., have been delivered and accepted by the Government. A contract is administratively complete when all administrative actions have been accomplished, all releases executed, and final payment made.
- b. Contract closeout shall be conducted in accordance with FAR 4.804. However, contracts involving a negotiation settlement of indirect costs can utilize FAR 42.708, "Quick-Closeout Procedures."

- c. Contracts that are firm-fixed price using other than simplified acquisition procedures can be closed out within 6 months after receipt of notification of physical completion. Contracts requiring settlement of indirect rates can be closed out within 36 months after receipt of a notification of physical completion. All other files should be closed out within 20 months after receipt of a notification of physical completion.
- d. A contract with a warranty period should not be closed out until after the warranty period has ended, unless it has a long warranty period (e.g., greater than 4 years). In the case of a long warranty period, the Location becomes responsible for administering the warranty. The contract will be closed out and sent to the FRC after one year into the warranty. The destruction date will be at the end of the warranty period.
- e. If the contract was for building a new building, the Contracting Officer is required to complete the information in Attachment 6, Real Property Notification and send by e-mail to the head of Real Property Management Branch and the Area Property Officer. Be sure to print a copy for the Closeout folder.
- f. The Contracting Officer (CO) will notify the respective Procurement Assistant (PA) by e-mail when a contract is ready for closeout. The e-mail shall contain the following information:
 - 1. Contract Number
 - 2. Contractor Name
 - 3. Location of files (e.g., file room, CO's office, etc.)
 - 4. Total number of files/folders
 - 5. The closeout date
 - 6. The Warranty expiration date, and a short description of item covered.

The last file folder should be a Closeout Folder. THE CO IS RESPONSIBLE FOR ENSURING THAT ALL FOLDERS ARE PROPERLY LABELED WITH THE CONTRACT NO., CONTRACTOR NAME, AND FILE NO. ____ OF ____

- g. The PA shall type a label to place in the middle position (inside of the back cover) of the Closeout Folder. The following information must be on this label:

CONTRACT NO.:
 FINAL PAYMENT DATE:
 CLOSEOUT DATE:
 RECORDS CENTER DATE:

DESTROY DATE:

PRE { } POST { } July 3, 1995

FILE FOLDER ____ # ____ of ____ # ____

1. The Final payment date is the date that U.S. Treasury issued payment to the contractor. If unknown, it is assumed to be 30 days from the date the invoice was approved for payment or the date of invoice, whichever was later.
 2. The closeout date is usually six months after final payment, unless a warranty, claim, or other conditions dictate a longer period. Reference paragraph 3.c. for more detailed information.
 3. Files are eligible to be sent to the FRC upon closeout. Facilities Contracts Branch policy is that contracts are to be sent to the FRC one year after final payment.
 4. The destruction date is 6 years and 3 months after final payment or the end of the warranty period, whichever is later. It is calculated based on the final payment date. The FRC processes destruction of contract files four times a year, January, April, July, and October. After calculating the destruction date, select the FRC destruction month closest to the calculated date.
 5. Due to change in the Simplified Acquisition Threshold (SAT), any contract file that contains documentation dated before July 3, 1995, must be so marked for proper storage/disposal. Reference NARA General Records Schedule 3 at <http://ardor.nara.gov/grs/grs03.html>.
- h. The PA shall verify that all files are properly labeled and transfer them to the file room. The PA is responsible for verifying that all the contract files are in the File Room.
 - i. The PA will issue the following standard letters simultaneously:
 1. Location Closeout Letter (Attachment 1)
 2. EPM Closeout Letter (Attachment 2)
 3. Closeout Letter to Contractor (Attachment 3)
 4. NFC Closeout Letter (Attachment 4)
 - j. Upon receipt of responses to all letters in Paragraph h above or the passage of 60 calendar days, whichever occurs first, the PA will prepare Attachment 5, Contract Completion Statement, for CO signature.

4. Records Center Procedures.

- a. On an annual basis, the PAs shall prepare contract files for shipment to the FRC. Boxes are to be purchased through GSA using Catalog number NSN#8115-00-117-8249. (They are a Standard size - white, 14-3/4"x12"x9-1/2.")
- b. 1. If the files to be closed out are two years or older they shall be shipped to the FRC. (The FRC will not accept files eligible for destruction within 1 year.)
2. FAR 4.705 states the period of record retention in contract files for construction contract payment records are as follows:

| <u>Record Type</u> | <u>Retention Period</u> |
|--|---|
| Payroll Sheets, change slips, tax withholding Statements, etc. | 3 years (unless contract performance is subject to enforcement actions) |
| Clock cards and other time and attendance cards | 2 years |
| Paid Checks, receipts for wages paid in cash, or other evidence of payment, etc. | 2 years |

- c. Separate contract files by year using the final payment date. Each year shall have a separate Accession Number, which is a number assigned by the FRC in order to locate it for later destruction or retrieval. Contract files should be boxed in numerical order. Task Orders should follow the main contract.
- d. The lead PA will complete the SF-135 and attach a list of contracts to be sent to the FRC. Instructions for preparing the SF-135, Records Transmittal and Receipt can be found in Section 10 of ARS P&P 251.8M and at <http://www.afm.ars.usda.gov/divisions/itd/RecMgmt/recmgmt.htm>.

A separate set of forms will be prepared for each year/each Accession Number. There is a limit of 50 boxes per Accession Number. The list of contracts that goes with the forms must be typed in WordPerfect or Word and in Landscape format. Once completed, they may be faxed to the

USDA
Record
s
Officer
at
(202)
720-
6577
or e-
mailed
to Mr.
Steve
Pollard
at
spollard@ars.usda.gov.

- e. The Records Officer will issue the accession number for each group of records that have the same destruction date. The PA will alert the Records Officer if there is a long warranty period involved in any contract going to FRC. Such contracts shall have a separate accession number so the destruction date will occur after the end of the warranty period.

This is done in the event there is a legal action against the contractor during the warranty coverage.

- f. The PA will label each box with the Accession Number and Box Number in the spaces provided. Instructions are as follows:
 - 1. Boxes will initially be labeled in pencil only. After the PA receives an approved SF-135 form and is ready to order pickup, the boxes shall be remarked using permanent ink.
 - 2. The accession number is to be in the upper left corner.
 - 3. The box number is to be in the upper right corner to indicate its relationship to the total number of boxes in the accession; e.g., 1/6, 2/6, etc.

- g. Once the SF-135 is returned approved, a copy is to be placed in the first box of each Accession Number. Boxes are to be closed in the four-fold method, not taped.
- h. Boxes are to be stored in the FCB file room. If space is insufficient, the PA shall contact Real Property Management Branch to have them transported and stored in the Facilities Division's Storage Room.
- i. With final approval from the Records Officer, use a magic marker to permanently label each box.
- j. When the boxes are ready to be shipped to the FRC, contact the USDA Courier Service at (202) 720-5869 for pickup.

5. Retrieval of Records.

- a. If records need to be retrieved from the FRC, contact the USDA Records Officer, Mr. Steve Pollard, at (202) 720-6577 or e-mail him at spollard@ars.usda.gov with the box number and Accession Number and follow instructions.

6. Notification of Final Destruction.

- a. When a destruction date is reached for an Accession Number, the FRC will contact the contracting activity and obtain permission to dispose of them.

Attachments

1. EPM Closeout Letter (Letter and Certification {2 pages})
2. Location Closeout Letter
3. Closeout Letter to Contractor (Letter and Certification {2 pages})
4. NFC Closeout Letter
5. Contract Completion Statement
6. Real Property Notification

Attachment 1
Page 1 of 2
EPM Closeout Letter

SUBJECT: Contract No. _____
Task Order _____

TO: _____
Engineering Project Manager

FROM: _____
Procurement Assistant

We are currently in the process of physically and administratively closing out the above subject contract/task order.

- [] You are requested to complete and sign page 2, EPM Certification of Contract Completion, and return them to my attention within ten (10) working days from date of this letter.
- [] For A/E contracts, you are requested to complete and sign page 2, SF-1421 Performance Evaluation (A/E), and return them to my attention within ten (10) working days from date of this letter.
- [] For Construction contracts, you are requested to complete the NIH Contractor Performance System evaluation within ten (10) working days from date of this letter. If you have not already received an e-mail with your identification, password and instruction on how to complete the evaluation, please contact the Contracting Officer, _____, immediately.

You may fax the completed forms to my attention at 301-504-1216 or mail them to me at:

USDA, ARS, FD, Facilities Contracts Branch
5601 Sunnyside Avenue
Building 4, Room _____ (Mail Stop 5124)
Beltsville, Maryland 20705-5124

If you have any questions, please contact me on 301-504-_____.

Attachment 1
Page 2 of 2

SF-1421 Performance Evaluation (Architect-Engineer)

1. The SF-1421 can be found at Web-Site:
<http://www.gsa.gov/Portal/offering.jsp?OID=116369>
2. Click on Access the Forms Library.
3. Click on Standard (SF) Forms.

Attachment 1
Page 2 of 2

EPM Certification of Contract Completion

DATE: _____

SUBJECT: Certification of Contract Completion

Contract No. _____

(Description) _____

(Location) (Area) _____

TO: _____

Procurement Assistant

Facilities Contracts Branch

FROM: _____, EPM

In reviewing Contract No. _____, I have found the following:

1. There () are; () are not any outstanding issues left to be resolved.
2. All items/services required () have; have not been delivered/performed.
3. All training required () has; () has not been completed (if applicable).
4. Any warranty periods involved under the contract () have expired; or () have not expired on _____
_____.

Signature

Date

Title

Attachment 2
Location Closeout Letter

SUBJECT: Contract No. _____
Task Order (If Applicable) _____
(Description) _____
(Location) (Area) _____

TO: _____
Location Point of Contact

FROM: _____
Procurement Assistant, FD, FCB

The contractor's performance under the subject Contract/Task Order has been completed and data pertinent to the closing of the contract file is as noted below. Please complete the following information and return within ten (10) working days to my attention at fax number 301-504-1216 or mail it to me at: USDA, ARS, FD, Facilities Contracts Branch, 5601 Sunnyside Avenue, Mail Stop 5124, Beltsville, Maryland 20705-5124.

1. All reports required under the terms of the contract () have been furnished; () have not been furnished and the list of exclusions is attached.
2. There () was or () was not Government Property furnished or acquired under subject contract. Government Property () is or () is not involved. Disposition instructions will be provided under separate correspondence or is attached.
3. All deliverables items required by the terms of the contract () have or () have not been received and accepted.
4. LOCATION CERTIFICATION

I hereby recommend that the following action be taken:

- () Contract requirements have been met satisfactorily and are accepted; closeout action is appropriate.
- () Delay closeout and final payment (give reasons below or in attachment statement).

Signature

Date

Title

Attachment 3
Page 1 of 2
Closeout Letter to Contractor

IN REPLY

REFER TO: Contract No. _____
 (Description) _____
 (Location) (Area) _____

Dear _____:

The above referenced contract for (Description) _____ has been completed. To close this contract, please sign the enclosed certification and return it within 10 calendar days from date of this letter by faxing it to my attention at 301-504-1216 or mailing to me at:

USDA, ARS, FD, Facilities Contract Branch
5601 Sunnyside Avenue,
Building 4, Room _____ (Mail Stop 5124)
Beltsville, Maryland 20705-5124

In addition, you are reminded that your contract records must be preserved for possible access by the Controller General in accordance with the "Examination of Records" clause, FAR 52.215-1.

If you have any questions, please feel free to contact me on 301-504-_____.

Sincerely,

Procurement Assistant
Facilities Contracts Branch
Facilities Division

Enclosure

cc:

(Contracting Officer), FD

ATTACHMENT 3
Page 2 of 2
Certification of Contract Completion

DATE: _____

Contract No. _____

(Description) _____

(Location) (Area) _____

In reviewing Contract No. _____, I have found the following:

1. There () are or () are not any outstanding issues left to be resolved.
2. All items/services required () have or () have not been delivered/performed.
3. All training required () has or () has not been completed (if applicable).
4. Any warranty periods involved under the contract () has expired or () has not expired and aren't due to expire until _____.
5. Final payment for Invoice No. _____, dated _____, for \$ _____
() was received on _____ or () has not been received.

If there is no response received within 30 calendar days it is assumed there are no outstanding issues and the contract will be closed out. This includes all Task Orders, if any.

Signature

Company Name

Title

Telephone Number

Attachment 4
NFC Closeout Letter

SUBJECT: Contract Closeout
Balance of Funds Verification
Contract No. _____

TO: Yvonne King/Anitha Anderson
NFC, Document Review Unit

FROM: _____, Procurement Assistant
Facilities Contracts Branch

I am in the process of closing out contract files and would like to verify my records with yours. At the bottom of this memo please find the funding records of the contract in question. In order to document the contract file with your verification, please complete the bottom of this sheet and return it to my attention, either by FAX at 301-504-1216 or by mail, to the following address:

USDA, ARS, FD
Facilities Contracts Branch
5601 Sunnyside Avenue
Building 4, Room _____ (Mail Stop 5124)
Beltsville, Maryland 20705

If you should require more information, please contact me on 301-504-_____. Thank you for your assistance in this matter.

Contractor: _____

| | <u>FD FILE RECORDS</u> | <u>NFC RECORDS</u> |
|------------------------|------------------------|--------------------|
| Total Amount Obligated | \$ _____ | \$ _____ |
| <u>Accounting Code</u> | | |
| _____ | \$ _____ | \$ _____ |
| Total Balance | \$ _____ -0- _____ | \$ _____ |

Final payment was processed on _____ under Voucher No. _____
dated _____.

INITIALS

Attachment 5
Contract Completion Statement FAR 4.804-5(b)

1. Contracting/Admin. Office USDA, ARS, FD, Facilities Contract Branch
5601 Sunnyside Avenue, MS - 5124
Beltsville, MD 20705-5124
2. Contract Number: _____
3. Last Modification No.: _____
4. Last Task Order No.: _____
5. Contractor Name, Address:
 & Telephone No. _____

6. Excess Fund Amount: _____
7. Voucher No. and Date: _____
8. Final Invoice No./Date: _____
9. Final Payment Date/Amount: _____ / \$ _____
10. Total Amount Paid: \$ _____
11. Performance Completed /
 Warranty Ends (if any): _____ / _____
12. Closeout Date: _____
13. Destruction Date: _____
14. ☐ Pre ☐ Post July 3, 1995
15. ☐ NIH Past Performance Evaluation; ☐ SF-1421 A/E; has been completed.
16. As a result of a final review of the contract file, it is determined that to the best of my knowledge all terms and conditions of the subject contract have been complied with. As a result of the above all necessary actions required to close the subject contract are hereby considered complete.

Processors Signature

Contracting Officer Signature

Date

Date

Attachment 6

Real Property Notification

Action:

- Notify Real Property Management Branch and the Area Real Property Officer by e-mail with the following information:

SUBJECT: Construction of Building

The following information is provided for prompt inclusion in the Real Property Management Information System for your Area..

Description of Work: Construction of (Name (if any) and complete address of new building)

Final Dollar Amount: \$_____

Square Footage: _____

Date work was accepted: _____

If you have any questions, please contact me at 301-504-_____.